

ANNUAL REPORT 2007

CONTENTS

BOARD OF DIRECTORS	3
STATEMENT BY THE FOUNDING PRESIDENT	5
ECONOMIC ENVIRONMENT	6
WORLD ECONOMIC OUTLOOK	
TUNISIAN ECONOMIC OUTLOOK	
THE INSURANCE SECTOR	7
AT THE INTERNATIONAL LEVEL	
AT THE NATIONAL LEVEL	
GENERAL ACTIVITIES OF THE COMPANY	8
KEY FIGURES	
PORTFOLIO STRUCTURE	
CLAIMS AND TECHNICAL RESERVES	
COSTS OF REINSURANCE	
COMPANY ACTIVITIES BY BRANCH	10
CAR INSURANCE - FIRE, SPECIAL & MISCELLANEOUS RISKS	
TRANSPORT & SHIPPING - LIFE INSURANCE - HEALTH AND	
DISABLEMENT INSURANCE - WORK ACCIDENTS AND	
VOCATIONAL DISEASES	
ADMINISTRATIVE AND COMMERCIAL MANAGEMENT	13
HUMAN RESOURCES - TRAINING - DISTRIBUTION - COMPUTERISATION	
COMMUNICATIONS - QUALITY APPROACH - PROSPECTS	
REPORT BY THE AUDITORS	16
ANNEXES	18
BALANCE SHEET	
LIFE INSURANCE AND REINSURANCE OPERATING RESULT'S	
ACCOUNT	
NON-LIFE INSURANCE AND REINSURANCE OPERATING	
RESULT'S ACCOUNT	
INCOME STATEMENT	
CASH-FLOW STATEMENT	

BOARD OF DIRECTORS

FOUNDING PRESIDENT

Mr. ABDELAZIZ ESSASSI

DIRECTORS

LE ASSICURAZIONI D'ITALIA ASSITALIA - GENERALI Group

Represented by :

Mr. LUDOVIC BAYARD

Mr. PIERO MOZZI

UNION FINANCIERE HOLDING

Represented by :

Mr. NABIL ESSASSI

Mr. ABDELMONEM TRABELSI

Mr. MOHAMED MONCEF MAAOUI

Professor RIDHA M'RAD

DIRECTOR GENERAL

Mr. ABDELAZIZ DERBEL

STATUTORY AUDITORS

Mr. RAOUF MENJOUR

Independent Member of Baker Tilly International

Mr. MAKRAM GUIRAS

Member of the Order of Chartered Accountants

STATEMENT BY THE FOUNDING PRESIDENT

In 2007, ASSURANCES MAGHREBIA was able to maintain the growth of all its activities and while at the same time following its strategy of profitable and controlled development.

The satisfactory results attained during that year can be attributed to the motivated commitment of all the collaborators of ASSURANCES MAGHREBIA.

I must also underline the dynamism of our Insurance Agents, Brokers, Office Managers and Life Insurance Producers and express my gratitude for their loyalty which allows our Company to conquer new shares of the Insurance market.

I would like to thank our shareholders and, in particular, our principal partner, Group GENERALI, for their support and assure them that we will take all the necessary steps to justify their continued support and trust.

I also wish to thank our clients for their trust in and loyalty to our company. May they rest assured that we will persevere with our efforts to listen to them so as to meet their needs and provide total satisfaction to all of them.

The Company's results in 2007 enable us to envisage the future with confidence. That is why we have great hopes of making good progress on the course we have traced for the Company and are firmly determined to improve continually our competitiveness and profitability.

It is thanks to all the staff and the network of ASSURANCES MAGHREBIA that we will be able to meet new challenges and consolidate our position within the market so as to contribute to the promotion of the Tunisian insurance sector.

Abdelaziz ESSASSI



ECONOMIC ENVIRONMENT

WORLD ECONOMIC OUTLOOK

In 2007, the growth of the world economy was markedly slowing down in most industrial countries because of the crisis in the US sub-prime mortgage market whose impact has affected many countries.

World economic growth has also been influenced by soaring petrol prices of over US\$ 98 a barrel and an unprecedented increase in basic food prices.

TUNISIAN ECONOMIC OUTLOOK

Despite an unfavourable world economic situation marked by a slowdown of economic growth indices, a major increase in petrol prices and other basic products and by notable fluctuations in the exchange rates of the major international currencies, the Tunisian economy continued its growth in most sectors and fields of activity in 2007.

According to the Central Bank of Tunisia, the 2007 economic growth was an estimated 6.3% against 5.5% in 2006. This growth may be imputed to a consolidation of activities in the manufacturing and service industries.

Earnings in the tourist sector increased by 7.8%.

At the level of foreign trade, exports increased more rapidly than imports, i.e. 24.2% for exports and 19.9% for imports.

At the level of employment, 2007 saw the creation of 80,000 jobs in non-agricultural sectors versus 77,000 in 2006.

The average inflation rate was maintained at 3.1% against 4.5% in 2006.

As to the position of the Tunisian Dinar within the currency exchange market, it recorded a depreciation of 3.8% against the Euro and an increase of 5% against the US dollar.



THE INSURANCE SECTOR

AT THE INTERNATIONAL LEVEL

After a relatively calm year in 2006, natural catastrophes in 2007 caused damages estimated at US\$ 61 billion. They are directly related to global warming and caused the death of 20,000 people in 2007.

In Europe, 2007 was marked by the European Commission adopting a framework guideline project known as Solvency II.

AT THE NATIONAL LEVEL

In July 2007, the major event in the Tunisian insurance sector was the implementation of a new health insurance scheme.

Another major news item in the insurance sector was the privatisation project of the Société Tunisienne d'Assurance et de Réassurance (STAR) and the transfer of 35% of its capital to a strategic investor.

At the legal and regulatory level, a number of texts and decrees were enacted.

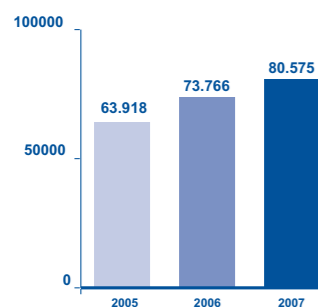
- The decree of 24 May 2007 by the Ministry of Social Affairs, Solidarity and Tunisians Abroad approving the additional clause N°7 to the collective insurance sector agreement.
- The byelaw of 11 June 2007 determining the stages of enactment of law No. 2004 - 71 of 2 August 2004 creating a health insurance scheme for the various social insurance categories mentioned in different legal social security schemes.

Other notable events in 2007 concerned the implementation of a number of decisions relative to:

- The reduction of 30% of insurance premiums for motorcycles of 50 cm³ or less effective from 6 August 2007.
- Amendment of Article 39 of the Code of personal income tax and that of company taxation to increase the ceiling amount deductible from life insurance premiums.
- Generalisation of the exemption from the single insurance tax to all insurance companies providing cover in the agricultural sector.
- Applying a reduction of 40% to insurance against the risks of hail and agricultural fire, and of 30% to cover the risks of livestock mortality.
- Applying reductions of up to 20% for farmers opting either for collective insurance contracts or annually renewable individual contracts.

GENERAL ACTIVITIES OF THE COMPANY

Growth of turnover for the last 3 years (in MD)



In a very competitive economic environment, in 2007 ASSURANCES MAGHREBIA was able to combine both the development of its activities and continued healthy and solid growth.

KEY FIGURES

These are as follows :

DESCRIPTION	2006	2007	DIFFERENCE
Company turnover (CT)	73,766,222	80,575,153	9.2%
Compensations	25,752,891	26,779,909	4%
Premium payments	76,842,951	84,970,767	10.6%
Recovery Rate	92%	92.4%	0.4%
Commission payments	6,100,506	6,497,123	6.5%
Overheads (O)	7,924,059	8,688,339	9.6%
CT/O ratio	10.7%	10.8%	0.9%
General charge ratio	18.8%	18.9%	0.5%
Stocks & shares	83,307,646	110,644,319	32.8%
Net profit	3,093,504	4,038,844	30.5%

PORTFOLIO STRUCTURE

The portfolio distribution by branch did not incur any major changes between 2006 and 2007 and is as follows:

The Car Insurance branch maintains its share in the company's turnover with 26.3% though losing 1.31% as compared to 27.6% in 2006.

The contribution of FMSR branches in the overall company turnover increased by 3.5 % from 33.6% in 2006 to 37.1% this year.

The share of the Transport & Shipping branch declined from 6% in 2006 to 5.1% in 2007.

Life Insurances continued to strengthen their share in the portfolio breakdown, which increased by 2% from 18.8% in 2006 to 20.8% in 2007.

The Health Insurance branch has continued its decline from year to year. Its share dropped from 14.9% in 2005 to 14.1% in 2006 and to a mere 10.7% this year, i.e. a total loss of 3.4 %.

CLAIMS AND TECHNICAL RESERVES

As of 31 December 2007, compensations for claims paid out during this financial year amounted to 26,779,909 TD against 25,752,891 TD in 2006, i.e. an increase of 4%.

The overall share of claims paid out in 2007 represents 33.2% of company turnover against 34.9% last year.

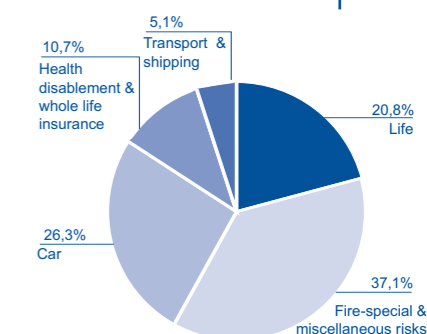
Technical reserves increased from 116,610,864 TD in 2006 to 135,739,337 TD on 31 December 2007, therefore an increase of 19,128,473 TD, i.e. +16.4% as compared to the preceding year. They represent 168.5% of all claims paid out during this fiscal year.

COSTS OF REINSURANCE

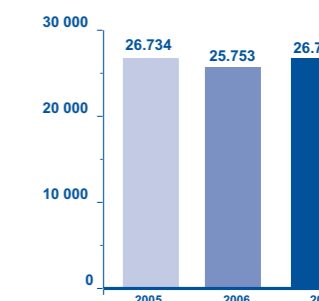
The total amount of compensations paid out rose from 25,336,073 TD in 2006 to 26,119,105 TD in 2007, i.e. an increase of 3.1%. The ratio of premiums transferred to premiums paid out this fiscal year is 32.4%.

The amount of damages to be paid out to re-insurers was 3,175,850 TD and the participation of the latter in technical reserves was 29,828,634 TD.

Portfolio structure by branch (LIFE AND NON-LIFE)



Claims payment over the past 3 years (in MD)



COMPANY ACTIVITIES BY BRANCH

Company activities recorded major progress as compared to 2006. All operational branches contributed actively to these results. The development of company activities was evenly spread between the various branches.

CAR INSURANCE

Despite the growing number of cars, turnover of the Car Insurance branch increased only by 4.1%, versus an increase of 27% in 2006, i.e. from 20,350,608 TD in 2006 to 21,181,896 TD this year.

Compensations for all types of damages paid out for this branch amounted to 12,253,397 against 11,744,573 TD last year, i.e. an increase of 4.3%. This figure represents 45.8% of the total sums paid out versus 45.6% in 2006.

Payments made for material damages amounted to 5,511,633 TD as compared to 5,056,227 TD in 2006, i.e. an increase of 9%.

Claims for physical damages paid out increased slightly by 0.8% from 6,688,346 TD in 2006 to 6,741,685 TD this year.

The total reserve for claims to be paid out under this heading was 42,396,211 TD as compared to 37,231,376 TD during the 2006 fiscal year.

FIRE - MISCELLANEOUS & SPECIAL RISKS (FMSR)

The FMSR branches generated 37.1% of the Company's and progressed significantly in 2007. They recorded an increase of 21% versus 2.7% in 2006 to attain 29,921,208 TD this year against 24,738,485 TD in 2006.

The Fire branch consolidated its position in 2007, increasing its share from 6.1% to 11.9%, i.e. from 12,615,215 TD in 2006 to 14,113,233 TD this year.

Multi-risk insurance contracts grew more slowly and increased only by 6.6% as compared to 2006, i.e. from 1,365,488 TD in 2006 to 1,455,334 TD this year.

Individual accidents/risks insurances grew by 6.8%, reaching 1,376,654 TD against 1,288,965 TD in 2006.

Turnover for household insurance against Theft was able to consolidate its position, increasing significantly by 57.3% in one year from 372,909 TD to 586,451 TD this financial year.

While claims paid out under Special Risks decreased by 6.6% in 2006, this branch is again growing from 7,320,601 TD in 2006 to 10,206,934 TD this year, i.e. a significant increase of 39.4%.

After a period of stagnation in 2006 (+0.7%) and a decrease of 2.1% in 2005, the increased turnover of Civil Liability insurance policies confirmed a return to growth of this branch, passing from 3,140,796 TD in 2006 to 3,637,935 TD this year.

Claims paid out under the FMSR branches increased by 57% from 2,148,513 TD in 2006 to 3,353,793 TD in 2007.

Reserves for claims to be paid out for the FMSR branches increased by 11.4%, from 16,331,040 TD in 2006 to 18,198,504 TD as of 31 December 2007.

TRANSPORT & SHIPPING

The Transport & Shipping branch turnover decreased by 8.6%, passing from 4,446,669 TD in 2006 to 4,066,542 TD this year.

Claims paid out under this heading amounted to 567,313 TD against 429,750 TD in 2006, an increase of 32%.

Reserves for claims reimbursement decreased by 7.5% from 3,261,114 TD in 2006 to 3,017,638 TD as of 31 December 2007.

LIFE INSURANCE

The different Life Insurance - Capitalisation branches, which represent 20.8% of the Company's total turnover, grew steadily in 2007 and recorded a 21.2% increase to reach 16,773,856 TD in 2007 versus 13,838,191 TD in 2006.

Payments (services and capital due) attained 1,763,885 TD in 2007 as compared to 1,700,425 TD in 2006, i.e. an increase of 3.7%.

The mathematical reserves for Life Insurance have grown by 22.4%, from 36,518,554 TD in 2006 to 44,682,949 TD this year.

Other technical reserves for Life Insurance increased by 77.5% to reach a total of 4,115,055 TD as compared to 2,318,604 TD in 2006.



COMPANY ACTIVITIES BY BRANCH

HEALTH AND DISABLEMENT INSURANCE

In the context of health insurance reform, the Health and Invalidity branch recorded for the first time a decline of 16.9%, with the turnover going from 10,392,268 TD in 2006 to 8,631,651 TD this year.

Reimbursements of healthcare expenses made under this heading reached 8,695,625 TD this year against 9,557,175 TD in 2006, a decrease of 9%.

WORK ACCIDENTS AND VOCATIONAL DISEASES

Claims paid out for the settlement of annuities amounted to 145,898 TD against 172,455 TD last year.

Mathematical reserves for annuities decreased from 1,219,827 TD as of 31 December 2006 to 1,123,918 TD as of 31 December 2007, a reduction of 7.9%

ADMINISTRATIVE AND COMMERCIAL MANAGEMENT

HUMAN RESOURCES

As of 31 December 2007, manpower had decreased slightly as compared to 2006, i.e. 196 salaried staff against 198 last year. This is a proof the Company's policy aimed at controlling staff numbers while pursuing its own development.

Graduates (Baccalaureate +4/+5) currently make up 26% of all staff compared to 25.3% in 2006 and 23.1% in 2005.

The Company's productivity is steadily progressing, from 321,195 TD in 2005 to 372,557TD in 2006 and 411,098 TD in 2007.

TRAINING

As the Company considers training a major development strategy in human resources, it has intensified its training activities.

From 44 training activities in 2006, this number increased to 59 this year with 7,596 hours devoted to training against 2,868 hours in 2006.

DISTRIBUTION

In view of the Company's objective of reinforcing geographical proximity to customers and improving their satisfaction, it has set up a major distribution network characterised by its diversity. Our network therefore now includes 48 Agencies, 14 direct offices and 13 brokers firms, covering the entire national territory.

The distribution of Life Insurance products is mainly in the hands of Life Insurance Companies, Commercial Staff and Banks.

COMPUTER SYSTEMS

To meet the requirements of the Company's increased turnover, it undertook, in 2007, the development of new information tools in order to improve the management of its agencies.

In 2007, in order for our insurance agencies to get closer to central management, the Company concluded the installation of the PVN (Private Virtual Network) which has now been extended to practically all of its intermediaries.

2007 also saw the implementation of several other actions, the most important of which are:



ADMINISTRATIVE AND COMMERCIAL MANAGEMENT

- Bringing Group Health Insurance into compliance with the recent health insurance reform.
- Updating the computer equipment.
- Setting up a new platform for electronic mail services that will become operational at the beginning of 2008.

COMMUNICATIONS

In order to become a leader in the insurance market, the Company has undertaken marketing actions aimed at consolidating its recognition within this sector, all directed towards the customer.

In 2007, the Company persevered in the strengthening of its communication policy in order to consolidate its reputation and quality image, and promote its relationship with clients as well as its insurance products.

Through its new website, the Company has provided the necessary means for enabling the customer continued access to interactive and personalised information. The aim of this site, available in three languages, is to make it one of the pillars on which communication activities will rely during the coming years.

QUALITY APPROACH

The quality approach, advocated since the renewal of its certification in 2004, aimed at implementing and persevering with the quality management approach of the Company, was continued in 2007.

In the framework of this approach, staff members had been mobilised throughout 2007 in order to evaluate, through frequent audits, the efficiency and effectiveness of this process aimed at improving customer satisfaction.

The continued implementation of the quality approach will enable our Company to differentiate itself from other competitors, to strengthen its position within the market and to become one of the leaders in the Tunisian insurance sector.

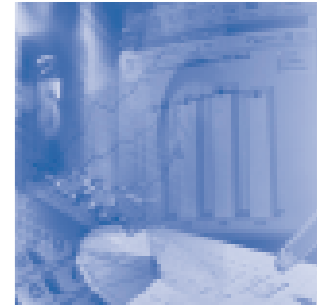
PROSPECTS

In an increasingly competitive environment ASSURANCES MAGHREBIA will continue to encourage selection, quality and risk prevention in order to consolidate 2007 results.

With results recorded in 2007 and motivated by growth dynamics, ASSURANCES MAGHREBIA is in a position to enable it to continue the development of these activities in an energetic and balanced fashion, diversifying risks and opting for sustained development and profitability.

Development targets for 2008 are ambitious, despite the many challenges the Company is facing. They focus fundamentally on:

- Defending and/or recovering parts of the market;
- Maintaining a growth and profitability among the best in this market;
- Preserving the technical equilibrium of the different branches;
- Design and implementation of a new range of products;
- Continuing with cost reduction and quality improvement;
- Improving continually the quality management approach.



REPORT BY THE AUDITORS

To the Company Shareholders,

In accordance with the legal mission of Company auditors entrusted to us in accordance with the proceedings of your Ordinary General Meetings of 25 May 2005 and 24 April 2006, we have audited the financial accounts of ASSURANCES MAGHREBIA as of 31 December 2007.

These accounts fall under the responsibility of the Board of Directors, and our responsibility consists of expressing an opinion on these financial accounts based on our audit.

I. OPINION ABOUT THE ANNUAL ACCOUNTS

The financial statements were made available to us as provided for by the Law 96-112 of 30 December 1996, the decree 96-2459 of 30 December 1996, the decree of the Ministry of Finance of 30 December 1996, as well as the norms 26 to 31 provided for by the bylaw of 26 June 2000 by the Ministry of Finance approving accounting norms for various sectors, and the bylaw of 27 February 2001 by the Ministry of Finance as modified by the bylaw of 28 March 2005 by the Ministry of Finance on the computation of technical reserves and the conditions of their presentation.

We have conducted this audit in compliance with the standard practice of our profession, including all the necessary verifications to make reasonably sure that the accounts do not contain any significant anomalies.

Our audit consists of the verification, through surveys, of elements that prove their compliance with these accounts. It also consists of assessing the underlying accounting standards and the significant estimates made for the settlement of these accounts as well as their overall presentation. We consider that our control provides a reasonable base for the opinion expressed hereafter.

Based on our audit, we hereby certify that the annual accounts of ASSURANCES MAGHREBIA have been regularly and fairly drawn up and that they faithfully reflect the assets, financial condition and results of the company's operations for the financial year ending 31 December 2007.

The net total of the Balance Sheet submitted for your approbation is 190,090,963.875 TND, generating a net profit of 4,038,843.772 TND.

II. VERIFICATIONS AND SPECIFIC INFORMATION

In compliance with the standard practice of our profession we have also undertaken the verifications required by law.

In conformity with the provisions of article 266 of the code of commercial companies, we have no observations to make on the sincerity and the reconciliation of the annual accounts with the data provided by the management report of the Board of Directors and by the documents addressed to the shareholders on the financial situation and the annual accounts.

THE AUDITORS

RAOUF MENJOUR
Independent Member of Baker Tilly International
MAKRAM GUIRAS
Member of the Order of Chartered Accountants

BALANCE SHEET AS OF 31 DECEMBER 2007

(DINARS)

ASSETS	31/12/07		31/12/06
	GA + DEPRECIATION	NET	NET
Intangible assets			
Software and purchased portfolios	482 969.033	121 489.282	407 982.795
Less depreciations and provisions	(361 479.751)		(289 183.935)
	482 969.033	121 489.282	118 798.860
Tangible assets			
Office furniture, computer and transport equipment	3 879 053.963	863 959.830	3 694 628.975
Less depreciations and provisions	(3 015 094.133)		(2 794 504.418)
	3 879 053.963	863 959.830	900 124.557
Investments			
Land and buildings			
Operating land and buildings	6 394 873.819	5 232 157.790	5 343 934.982
Less depreciations and provisions	(1 162 716.029)		(1 013 016.970)
Non-operating land and buildings	12 916 550.327	9 145 933.570	13 537 980.016
Less depreciations and provisions	(3 770 616.757)		(3 638 571.314)
Investments in subsidiaries and affiliated companies			
Investments in subsidiaries	5 825 118.280	5 825 118.280	5 825 108.280
Floating rate shares and securities	14 598 815.166	13 320 457.391	12 951 446.159
Less depreciations and provisions	(1 278 357.775)		(901 317.876)
Fixed income securities and bonds	88 965 443.888	88 965 443.888	64 583 766.144
Advances on life policies	420 318.009	420 318.009	222 763.423
Deposits and guarantees	1 740.000	1 740.000	1 740.000
Funds held by grantor companies	287 146.950	287 146.950	246 756.695
Investments representing the technical reserves related to contracts in units of account	1 281 983.450	1 281 983.450	258 710.433
	130 691 989.889	124 480 299.328	97 419 299.972
Reinsurers' share in the technical reserves			
Unearned premium reserves (non-life)	11 589 186.457	11 589 186.457	9 666 919.130
Mathematical reserves (life)	306 202.838	306 202.838	269 364.361
Claims reserves (non-life)	17 834 394.540	17 834 394.540	19 880 812.781
Claims reserves (life)	98 850.000	98 850.000	31 144.392
	29 828 633.835	29 828 633.835	29 848 240.664
Receivables			
Receivables due from direct insurance operations			
Earned and unearned premiums	2 688 522.610	2 688 522.610	2 226 772.552
IDA and advance payments	1 709 521.956	1 709 521.956	1 679 725.676
Other receivables due from direct insurance operations			
Receivable premiums	7 629 627.769	6 579 017.444	11 043 452.530
Premiums to be cancelled (life)	(147 514.699)		(2 920 638.768)
Premiums to be cancelled (non-life)	(903 095.626)		(823 165.461)
Other miscellaneous receivables	2 919 612.994	1 133 847.986	2 623 936.889
Less depreciation and provisions	(1 785 765.008)		(1 697 682.098)
Co-insurance debit balance	804 217.608	804 217.608	1 367 342.414
Receivables due from reinsurance operations			
Grantor companies current account	707 767.121	707 767.121	661 236.040
Other receivables from reinsurance operations	413 043.092	413 043.092	413 043.092
Other receivables			
State, Social Security, Local authorities	912 509.884	912 509.884	33 685.060
Miscellaneous receivables	505 854.693	505 854.693	409 805.704
	18 290 677.727	15 454 302.394	15 017 513.630
Other Assets			
Securities to be collected	4 400 046.840	4 400 046.840	5 511 597.883
Banks, giro accounts and cash in hand	8 213 806.055	8 213 806.055	13 437 569.224
Deferred acquisition expenses	2 287 489.631	2 287 489.631	1 949 674.299
Unmatured interests and rents	4 185 982.318	4 185 982.318	3 348 302.615
Other equalization accounts	254 954.362	254 954.362	214 034.712
	19 342 279.206	19 342 279.206	24 461 178.733
Total Assets	202 515 603.653	190 090 963.875	167 765 156.416

(DINARS)

SHAREHOLDERS' EQUITY AND LIABILITIES	31/12/07	31/12/06
Shareholders' Equity		
Share Capital	10 000 000.000	10 000 000.000
Legal Reserves	1 000 000.000	975 098.073
Revenue reserves	200 000.000	200 000.000
Other shareholders' equity	10 629 151.278	10 332 901.278
Results carried forward	2 323 154.860	550 802.800
Total shareholders' equity before results for the year	24 152 306.138	22 058 802.151
Profit for the year	4 038 843.772	3 093 503.987
Total shareholder's equity before appropriation	28 191 149.910	25 152 306.138
Liabilities		
Technical reserves		
Unearned premium reserves (non-life)	21 893 069.850	19 227 692.692
Mathematical reserves (life)	44 682 949.000	36 518 554.432
Reserves for management expenses (life)	521 198.000	289 982.937
Claims reserves (life)	2 075 558.000	1 563 663.358
Claims reserves (non-life)	63 612 353.894	56 823 530.115
Projected recoveries to be collected (non-life)	(3 206 781.352)	(3 117 188.572)
Annuities mathematical reserves (non-life)	1 392 231.965	1 531 050.780
Reserves for profit participations and return premiums (non life)	43 676.805	58 338.504
Reserves for profit participations and return premiums (life)	155 846.000	135 710.492
Reserves for outstanding risks (non-life)	0.000	133 093.237
Equalization reserves (life)	80 000.000	70 000.000
Reserves for contracts in units of account	1 282 453.000	259 247.006
	132 532 555.162	113 493 674.981
Liabilities for cash deposits received from reinsurers	10 933 264.181	13 618 912.471
Other liabilities		
Liabilities from direct insurance operations	588 347.855	472 599.082
Co-insurance credit balance	430 456.914	395 966.706
Liabilities from reinsurance operations	14 188 408.294	10 607 520.014
Deposits and guaranties received	314 485.044	334 679.770
State, Social Security, Local authorities	24 669.015	761 195.443
Miscellaneous liabilities	2 583 197.770	2 749 115.042
	18 129 564.892	15 321 076.057
Other liabilities		
Prepaid income	304 429.730	179 186.769
	304 429.730	179 186.769
TOTAL LIABILITIES	161 899 813.965	142 612 850.278
Total Shareholders' Equity and Liabilities	190 090 963.875	167 765 156.416

LIFE INSURANCE AND REINSURANCE OPERATING RESULT'S ACCOUNT

(DINARS)

	GROSS OPERATIONS 31/12/07	CESSIONS AND RETROCESSIONS 31/12/07	NET OPERATIONS 31/12/07	NET OPERATIONS 31/12/06
Premiums	16 432 818.877	(984 230.193)	15 448 588.684	11 440 309.643
Written premiums	16 432 818.877	(984 230.193)	15 448 588.684	11 440 309.643
Investment revenues	3 193 112.953		3 193 112.953	3 036 748.208
Investments revenues	3 153 213.045		3 153 213.045	2 759 660.334
Other investments revenues	16 797.293		16 797.293	70 513.359
Resumptions of value correction on investments	23 102.615		23 102.615	89 425.738
Capital profits on investments	0.000		0.000	117 148.777
Other operating revenues	0.000	62 187.464	62 187.464	59 277.633
Claims incurred	(4 585 651.366)	86 366.934	(4 499 284.432)	(3 268 587.757)
Claims paid	(4 073 756.724)	18 661,326	(4 055 095.398)	(3 065 692.791)
Changes in claims reserves	(511 894.642)	67 705.608	(444 189.034)	(202 894.966)
Changes in other technical reserves	(9 448 951.133)	36 838.477	(9 412 112.656)	(6 144 755.487)
Life mathematical reserves	(8 164 394.568)	36 838.477	(8 127 556.091)	(5 807 178.052)
Management expenses reserves	(231 215.063)		(231 215.063)	(55 178.937)
Equalization reserves	(10 000.000)		(10 000.000)	0.000
Reserves for participation in profits and return premiums	(20 135.508)		(20 135.508)	(23 151.492)
Reserves for contracts in units of account	(1 023 205.994)		(1 023 205.994)	(259 247.006)
Operating expenses	(3 238 568.903)	152 622.667	(3 085 946.236)	(3 213 414.015)
Acquisition expenses	(2 427 903.549)		(2 427 903.549)	(2 579 649.737)
Administrative expenses	(810 665.354)		(810 665.354)	(767 047.996)
Commissions received from reinsurers		152 622.667	152 622.667	133 283.718
Other underwriting expenses	(301 002.575)	(10 422.470)	(311 425.045)	(315 474.133)
Investments expenses	(648 056.729)		(648 056.729)	(561 977.754)
Internal and external administrative expenses	(330 103.409)		(330 103.409)	(294 141.806)
Value correction on investments	(317 953.320)		(317 953.320)	(142 834.287)
Capital losses on investments	0.000		0.000	(125 001.661)
Sub-total :				
Life Operating Result	1 403 701.124	(656 637.121)	747 064.003	1 032 126.338

NON-LIFE INSURANCE AND REINSURANCE OPERATING RESULT'S ACCOUNT

	GROSS OPERATIONS 31/12/07	CESSIONS AND RETROCESSIONS 31/12/07	NET OPERATIONS 31/12/07	NET OPERATIONS 31/12/06
Earned premiums	60 711 977.812	(23 212 607.231)	37 499 370.581	33 015 436.484
Premiums issued and accepted	63 377 354.970	(25 134 874.558)	38 242 480.412	34 962 312.296
Changes in unearned premium reserves	(2 665 377.158)	1 922 267.327	(743 109.831)	(1 946 875.812)
Revenue from allocated investments, transferred from the income statement	1 300 541.049		1 300 541.049	2 059 342.305
Other revenues	136 823.225		136 823.225	128 010.659
Claims incurred	(30 857 086.803)	1 110 770.847	(29 746 315.956)	(26 748 282.986)
Claims paid	(24 068 263.024)	3 157 189.088	(20 911 073.936)	(21 347 578.520)
Changes in claims reserves	(6 788 823.779)	(2 046 418.241)	(8 835 242.020)	(5 400 704.466)
Changes in other technical reserves	361 504.832		361 504.832	406 537.611
Changes in annuities mathematical reserves	138 818.815		138 818.815	280 301.702
Changes in projected recoveries	89 592.780		89 592.780	(253 626.561)
Changes in reserves for outstanding risks	133 093.237		133 093.237	379 862.470
Participation in profits and return premiums	14 661.699		14 661.699	7 860.435
Operating expenses	(9 332 509.178)	4 374 602.261	(4 957 906.917)	(3 905 639.127)
Acquisition expenses	(6 666 255.835)		(6 666 255.835)	(6 076 659.478)
Deferred acquisition expenses	337 815.332		337 815.332	520 383.489
Administrative expenses	(3 004 068.675)		(3 004 068.675)	(2 762 549.225)
Commissions received from reinsurers		4 374 602.261	4 374 602.261	4 413 186.087
Other underwriting expenses	(1 035 050.889)	(463 498.853)	(1 498 549.742)	(1 419 628.951)
Sub-total :				
Non-life operating result	21 300 861.747	(18 190 732.976)	3 110 128.771	3 543 636.430

INCOME STATEMENT AS OF 31 DECEMBER 2007

	(DINARS)	
	31/12/07	31/12/06
Non-life operating result	3 110 128.771	3 543 636.430
Life operating result	747 064.003	1 032 126.338
Investment revenues (non-life)	3 928 988.425	3 547 668.867
Investment revenues	2 354 408.105	1 863 694.177
Other revenues of investments	1 122 425.546	443 215.433
Resumptions of value correction on investments	320 600.000	492 764.054
Capital gains	131 554.774	747 995.203
Investment expenses	(2 226 050.513)	(1 401 854.769)
Internal and external administrative expenses	(467 964.015)	(511 084.132)
Value correction on investments	(809 469.737)	(681 885.251)
Capital losses on investments	(948 616.761)	(208 885.386)
Revenues from allocated investments, transferred from the operating results account (non-life)	(1 300 541.049)	(2 059 342.305)
Profits from ordinary activities	4 259 589.637	4 662 234.561
Income tax	(220 745.865)	(1 568 730.574)
After-tax profits from ordinary activities	4 038 843.772	3 093 503.987
Net profit	4 038 843.772	3 093 503.987

CASH-FLOW STATEMENT AS OF 31 DECEMBER 2007

	(DINARS)	
	31/12/07	31/12/06
Operating Cash-flow		
Premiums paid in by policy holders	68 274 289.166	59 193 028.619
Amounts paid out for damages	(26 529 709.393)	(25 752 890.653)
Premiums paid in (acceptance)	57 969.740	65 692.488
Disbursement of premiums on transfers	(14 343 140.039)	(12 584 038.360)
Fees paid out on transfers	560 827.057	335 932.118
Fees paid to intermediaries	(345 983.995)	(256 479.901)
Amounts paid to suppliers and staff	(4 983 761.018)	(5 925 776.259)
Disbursements for acquisition of financial assets	(98 014 609.610)	(9 557 500.000)
Income from transfers of financial assets	74 447 287.270	85 320.000
Loans awarded	2 000.000	1 500.000
Re-imburement of loans	28 346.858	5 178.421
Taxes on insurances paid to the Treasury	(4 752 468.255)	(4 367 741.835)
Financial products received	1 463 744.712	341 127.422
Other movements	59 432.105	26 946.133
Operating cash-flow	(4 075 775.402)	1 610 298.193
Cash-flow related to investments		
Disbursements for acquisition of tangible & intangible assets	(74 986.238)	(233 178.095)
Incomes from transfers of tangible and intangible assets		
Disbursements for acquisition of land and buildings for exploitation	(496 923.529)	(21 854.000)
Cash-flow resulting from investment activities	(571 909.767)	(255 032.095)
Cash-flow related to financial activities		
Dividends and other distributions	(576 078.000)	(934 233.200)
Cash-flow resulting from financial activities	(576 078.000)	(934 233.200)
Cash-flow variation	(5 223 763.169)	421 032,898
Cash-flow at beginning of financial year	13 437 569.224	13 016 536,326
Cash-flow at end of financial year	8 213 806.055	13 437 569,224

